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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
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10/758,530

01/16/2004

Richard Douglas Lawrence

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01/14/2009

WHITHAM, CURTIS & CHRISTOFFERSON & COOK, P.C.

11491 SUNSET HILLS ROAD

SUITE 340

RESTON, VA 20190

EXAMINER

CHANG, LI WU

ART UNIT

PAPER NUMBER

2129

MAIL DATE

DELIVERY MODE

01/14/2009

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No. 10/758,530	Applicant(s) LAWRENCE ET AL.	
	Examiner LIWU CHANG	Art Unit 2129	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 November 2008.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☒ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|--|---|
| 1) <input type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | Paper No(s)/Mail Date. _____ |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO/SB/08) | 5) <input type="checkbox"/> Notice of Informal Patent Application |
| Paper No(s)/Mail Date _____ | 6) <input type="checkbox"/> Other: _____ |

DETAILED ACTION

1. This office action is responsive to amendment filed 11/19/2008. Priority date:
01/16/2004
2. Claim 1 is amended. Claim 1 is pending.

Response to Arguments

3. Applicant's arguments filed 11/19/2008 have been fully considered but they are not persuasive.
4. *Response to 35 USC 103 rejection over prior art Peak*

In re pg 7, the applicant asserts that "Nowhere does Peak consider the question at issue in the present invention, namely, how to identify firms that are more likely (rather than less likely) to go through with an outsourcing deal if one is proposed".

In response, the claim language fails to clearly indicate the underlying process is given from "the outsourcing vendor's point of view". It is entirely possible for the firm's internal IS staff or external business analysts to evaluate the effects of outsourcing. The quantitative and qualitative analysis of Peak (e.g., pg 73) describes the impacts of outsourcing and the relationships between outsourcing and financial-related parameters during a time period, including a specific date within the recent past (e.g., the time until the IS facility is repurchased, pg 70, par 2, or the firm is liquidated, pg 70, par 3). In addition, multiple paragraphs indicate the preference and strategies of the vendors on outsourcing (e.g., pg 76, par 1).

In re pg 7, the applicant asserts that "The Examiner has similarly misidentified "Negative Examples." Indeed, from the point of view of the claimed invention, the Examiner's "Negative Examples" are, in fact, "Positive Examples" because the outsourcing deal went through. What the firm's internal IS staff thinks about the outsourcing vendor after the deal has been done is irrelevant" and in re pg 8, Peak's measurement and analysis "have nothing to do with the present invention".

In response, in the specification, a 'negative example' is meant to be "companies that were clearly not interested in outsourcing on a specific date within the recent past". The analysis given in Peak discloses (re-)actions from the perspective of the customers and to some extent, the vendors. The negativity of the effects of outsourcing (e.g., the conclusion of chapter 6), the risk evaluation of vendors (e.g., the risk analysis in chapter 4), and conditions that outsourcing ends (e.g., pg 74, par 2) are the basis for negative examples. The outsourcing lease is not a one-time deal; rather, it will be re-worked at times. It is obvious some companies might sign a lease in the past, become unsatisfactory at the moment, and reconsider the lease in the future. Note that the claim language states separately the positive and negative examples, and it does not include their intended relationships. The specification is not a measure of invention.

In re pg 9, the applicant further argues "the Negative Examples used in the preferred embodiment are constructed from Positive Examples but at times well ahead of the time when the outsourcing deal was actually signed" and "This does not mean that the price of stock options might not have some correlation to firms likely to actually

Art Unit: 2129

close the outsourcing deal, but any such correlation would not be determined by the analysis used in Peak for a different purpose entirely.”

In response, what exactly does the term ‘well ahead’ mean? It is not clear in the claim language. What type of decision does the phrase “any such correlation would not be determined by the analysis used in Peak for a different purpose entirely” refer to? It is obvious outsourcing has the risk and the outsourcing decision is conditioned upon multiple factors, as indicated by the analysis.

In summary, the 103 rejection stands.

Specification

Claim 29 is objected to because terms, such as "likely", "unlikely" and “predisposition” are used. The specification does not to provide metrics describing the scopes of these terms. The word “disposition” is used in the claim, but not defined in the specification. Appropriate correction is required.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

Art Unit: 2129

5. Claim 29 is rejected under 35 U.S.C. 103(a) as being unpatentable over **Peak** ("The risks and effects of outsourcing on the information systems function and the firm", thesis, U. of North Texas, 1994), hereinafter **Peak**, in view of **Nafeh** et al. (US Pub. No. 2002/0069155 A1), hereinafter **Nafeh**, and further in view of Russell-Falla et al. (US Pub. No. 2005/0108227) and hereinafter **Russell**.

6. With respect to claim 29, **Peak** discloses a computer implemented process for identifying companies likely to outsource services (**Peak**: pg 1, par 1, L 1-3), the computer performing comprising the steps of:

including Positive Examples, Negative Examples and Candidate Examples including thousands of Candidate Examples, where Positive Examples are companies that have signed an outsourcing contract on a specific recent date, Negative Examples are companies clearly not interested in outsourcing on a specific recent date, and Candidate Examples are potential candidates for outsourcing (**Peak**: Tables 12-15, low score on bad "perceptions" are Positive example, and high score of bad perception are example of negative example. Pg 117, sec 13, L 10-12, the "threshold" that may be based on pgs 138-9, EQ (1)-(3), "regression" analysis, describe the Candidate example from a client perspective. Pg 74, par 2, the condition when the outsourcing lease ends and pg 71, par 3, the time of liquidation imply companies clearly not interested in outsourcing on a specific recent date);

reducing or extracting the publicly available information held in the database to obtain a set of metrics or features inputtable to a mathematical model (**Peak**: pg 150,

Art Unit: 2129

item 7, “stock price”, pg 93, Table 7, “effect on the firm”, are examples of the metric, and pg 93, Table 7, “profitability”, pg 102, Table 9, “risk-increasing” are examples the feature, and pg 85, EQ(2) shows a mathematical model, and pg 145, L 12-13, describe the database);

applying data mining techniques to the publicly available information, and identifying Positive Examples each Positive Example being uniquely defined by a name of a company that signed an outsourcing contract with any provider of services to be outsourced and a date of signing of the contract (**Peak:** pg 138, sec “Research Design”, the regression model can be a data mining techniques, pg 142, sec Data Collection, “... firms that had announced IS outsourcing ...” and “bibliometric search” describe the contract signing and dates);

further identifying Negative Examples each Negative Example being uniquely defined by a name of a company unlikely to outsource said services and a date of a predisposition not to outsource (**Peak:** Table 8 shows the Negative Example and pg 108, L 8-12, “... relationship between the perceptions and outsourcing ...” and the obvious fact that a company would reconsider a outsourcing lease at future times imply the pre-disposition not to outsource);

constructing the mathematical model, including constructing the model to take as inputs the metrics or features for each Positive Example of outsourcing of said services and each Negative Example of a disposition not to outsource said services (**Peak:** pg 138, sec “Research Design” describes the mathematical mode and feature and metrics inputs, and the obvious fact that the financial condition of a company varies over time,

Art Unit: 2129

as described in Conclusion, implies a disposition of outsourcing decision);

initially presenting all metrics or features to the model, followed by selecting a subset of metrics or features that are mathematically most likely to differentiate Positive Examples of outsourcing of said services and Negative Examples of a disposition not to outsource said services (**Peak**: pg 138, EQ(1) as an initial regression model, and pg 139, EQ(2) to most likely differentiate a firm, and the obvious fact that the financial condition of a company varies over time, as described in Conclusion, implies a disposition of outsourcing decision);

training the mathematical model with the Positive Examples and the Negative Examples (**Peak**: pg 139, EQ(3));

categorizing each example as a Positive Example of outsourcing of said services, a Negative Example of a disposition not to outsource said services or a Candidate company, wherein a Candidate company is a candidate for outsourcing of said services (**Peak**: e.g., pg 153, par 3, "... requires neither IS nor outsourcing ..." is an example of Negative Example based on risk feature, positive evaluation as in Table 26, pg 134 or change in "firm's securities" or "the firm's capital structure" as in chapter 3 are Positive Example, and the score from questionnaire on "Reasons for outsourcing" in pg 202 implies the decision criteria for Candidate company);

for the categorized example, identifying a signal period, with the signal period being a time over which the metrics or features will be defined (**Peak**: pg 150, item 8 and item 9 describe the days and window period);

with the signal period identification comprising:

Art Unit: 2129

specifying the signal periods for Negative Examples (**Peak**: pg 151, par 3, L 11-13, "... far from the announcement date ..." which can be more than ninety days stock returns or 45 days stock options);

specifying the signal periods for Positive Examples (**Peak**: pg 151, par 3, L 7-9, "... eleven days prior to the announcement date ...");

including, for a company having both a Negative Example of a disposition not to outsource said services and a subsequent Positive Example of outsourcing of said services, introducing a Blackout Period so that a signal period for the Negative Example for the company having both Negative and subsequent Positive Examples exhibits no influence with regard to the subsequent Positive Example for the same company (**Peak**: Blackout Period may range from "eleven days" to "91-day event window for the stock returns" or "31-day event window for option" "prior to the announcement date", and the obvious fact that the financial condition of a company varies over time, as described in Conclusion, implies a disposition of outsourcing decision);

specifying the signal periods for Candidate examples (**Peak**: -45 through +45 days as in Table 31);

predicting a likelihood or propensity that each Candidate company will enter into an outsourcing contract for said services at a current date (**Peak**: pg 108, "linear relationship between perceptions and outsourcing" and data collected within the proper period imply the prediction);

Peak does not expressly disclose "importing from various data providers publicly

Art Unit: 2129

available information comprising SEC filings, executive management changes, corporate mergers and acquisitions, and holding in a single data base the imported data for all companies”.

Nafeh discloses “importing from various data providers publicly available information comprising SEC filings, executive management changes, corporate mergers and acquisitions, and holding in a single data base the imported data for all companies” (**Nafeh**: [0075], “SEC”, [0501], L 1-3, change the ownership or management, [0103], L1, “merger”, and Abstract, L 3-5, “contracts” implies handling data from multiple companies). It would have been obvious for one of ordinary skill in the art to incorporate financial information, as taught by Nafeh, into the teachings of Peak, because that financial information provides useful metrics to assist outsourcing decision analysis.

The combined teachings of Peak and Nafeh do not disclose “ranking” in “as to the predicted likelihood or propensities, ranking the Candidate companies and outputting a target list in which the Candidate companies are ranked”. Russell discloses “as to the predicted likelihood or propensities, ranking the Candidate companies and outputting a target list in which the Candidate companies are ranked” (**Russell**: Fig 1, block 42 shows the weighting and outputs the ranked list). It would have been obvious for one of ordinary skill in the art at the time of invention to incorporate the teachings of Russell by implementing ranking as a decision method in Peak, because ranking is notoriously common in decision analysis.

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to LIWU CHANG whose telephone number is 571-270-3809. The examiner can normally be reached on 8:30AM - 6:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, David Vincent can be reached on 571-272-3080. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Art Unit: 2129

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/L. C./
Examiner, Art Unit 2129

January 5, 2009

/David R Vincent/

Supervisory Patent Examiner, Art Unit 2129